REMARKS

Applicant thanks the Examiner for the office action and hopes that this response will explain the distinction between the now claimed invention and the cited art.

Applicant has amended Claims 1- 30 as originally filed which are amended from and based on the claims filed with the originating PCT application.

It is submitted that the amended claims are fairly based on the specification as filed and do not introduce any new matter not disclosed in the original specification.

Claim Rejections - 35 USC §112

The Examiner has rejected Claim 1 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. In response thereto, the Applicant has proposed an amendment to the claim which is intended to distinguish between 'product' and system. The Examiner will note that the word system has been substituted with the word 'process'. The claims groups now relate to a process and method.

Claims 2-16 appended to Claim 1 have been amended to be consistent with and conform to the amendment to Claim 1.

<u>Claim Rejections -35 USC § 102</u>

The Examiner has rejected independent claims Claim 1 and 17 under 35 U.S.C. 102(b) as anticipated by US Patent Number 5,794,210 to Goldhaber et al. (hereinafter "Goldhaber").

The Examiner asserts with reference to Claim 1 in the application that Goldhaber discloses a system comprising:

> *a consumer station which receives electronic data or images (figure 4, 104, col 11, lines l1-14); an information provider which delivers said electronic data or images to said consumer station (fig. 1, 106, col. 9 lines 39-41), a host having a website with which said consumer station communicates and interacts (fig. 1, 106, col. 9 lines 39- 41), an advertising provider in communication with said host (fig. 1, 106, col. 9 lines 66- 67); wherein the advertising provider communicates via said host with said consumer station via the internet upon election by said consumer station responsive to an invitation from said host (fig. 3, 56, col. 10 lines 44-48); wherein, without requiring software downloaded and installed into the consumer station, the consumer receives said advertising material by responding to a random invitation from the host, which appears at the consumer station wherein, when said consumer elects to view advertising from said advertising provider via said host, the consumer receives rewards, credits or benefits commensurate with the length of time advertising is viewed.(fig 3 60, col. 10 lines 53-57).*

<u>Comments on Goldhaber citation</u>

Goldhaber is directed to a different objective from that of the Applicant's invention, namely consumer specific targeted advertising to a select identified group of consumers whose profiles are known by the advertiser. The system disclosed in the citation requires a network which routs digital information between plural computers. The plural computers are connected to a digital computer network, forming a specific

network of user computers each plural computer having at least one user. The network includes at least one attention broker, at least one computer associated with at least one provider of negatively priced information, and at least one computer associated with at least one provider of positively priced information. This is a sophisticated system of linked computers in which the users are from a targeted group, so that any pair of the personal computers and information provider computers may communicate without the communication passing through any of the other personal and information provider computers. Digital information may be delivered to the personal computer via the network. Displayed information includes a visual link associated with one of the information provider computers, allowing a user to operate a user input device to select and activate a link in order to erect a network connection to an information provider computer.

In Goldhaber, users are supplied with specific consumer information on pricing of products such that the provider of negatively priced information sponsors user purchases of positively priced information. The user is compensated for accepting the negatively priced information following which the user is provided with a choice of positively priced information on a purchase by operating a user input device ultimately benefiting the provider.

Unlike the Applicant's process, in Goldhaber the provider is ultimately rewarded rather than the participant user or consumer as the negatively priced advertising is a 'gift' contingent upon the receiver viewing a targeted add. The target consumer in

Goldhaber is intended as a potential or actual purchaser of the provider's goods or services. In the Applicant's invention, there is no linked network in the sense that the Goldhaber participants are known by the host or that the participants are part of some target group for an advertiser. Goldhaber is addressing the problem where advertising goes largely misdirected such as to the wrong or an inappropriate target group by setting up a network in which the broker is linked to a specific group of users. The system is designed for consumer purchasing once the purchaser views the providers products.

Goldhaber is directed to advertising content whereas the Applicant's invention has no relation to advertising content, rather to the capacity of the participant to gain a reward for viewing advertising in an entirely random, time based and non targeted fashion. The Applicant's process is time based in that rewards are commensurate with timed viewing of advertisements

Goldhaber is the opposite to random advertising, is not time based and is aimed to target that relatively small percentage of people known in advance who might actually want to use the product or service advertised. It is critical that Goldhaber knows who is being targeting by profiling.

Goldhaber recognizes that ads in the mass media can target information directly to the individual consumer. Goldhaber teaches a specific approach to advertising, in which an advertiser and consumer are brought into an alliance based on mutual respect and mutual benefits. However, the approach provided by the Goldhaber invention is

based on gaining the attention of a consumer, stimulating interest of the consumer in the advertisement, sponsoring the target consumer and providing the consumer with a paid incentive to purchase the product.

Goldhaber does pay consumers for their attention but they are consumers who have been specifically targeted with a product, where the advertiser pays the consumer direct for their time and attention.

The Applicant's process is in the context of mass media advertising. It does not specifically require an advertiser to reward viewing of a particular advertisement but it is directed to a time based random reward system for anonymous participant viewing of any randomly distributed advertising. In fact, this is the type of random 'scatter gun' advertising that Goldhaber seeks to avoid. The Applicant's process does not relate to the buying and selling of the attention of consumers.

Goldhaber allows advertisers to compete for the attention of a particular consumer or group of consumers, thereby maximizing efficiency and creating value. Goldhaber permits the design of ads that are virtually custom-fitted to consumer preferences, thus ensuring that the ad messages will be welcomed and attentively viewed by the consumer. This ability to finely target (and customize) ads based on the interests of particular individual consumers maximizes efficiency and benefits both the advertisers and the consumers. Goldhaber is advertiser focussed and is designed primarily for the benefit of the advertiser, whereas the Applicant's invention is largely random participant or consumer focussed and is entirely designed for the benefit of the

consumer. Benefits to the advertiser are secondary and in fact there is a disadvantage to an advertiser as the participant can opt out of the viewing of advertisements at will.

Advertising content is secondary in the Applicant's process whereas in Goldhaber content is the primary focus. In fact in the latter, the consumer can positively select a category of adds for viewing - for instance if a consumer is shopping for a computer he will elect to view ads for a computers.

In Goldhaber, for example, when selecting ads for viewing, the consumer is given the chance to express a preference for certain kinds of ad content. For example, for a movie commercial, one consumer might request a film clip while another asks for a plot summary. In another example, a consumer viewing an ad for food or drink might ask for a list of ingredients or nutrients.

Goldhaber uses "demographic routing", by which an information package or its agent (or an agent for any goods or service) can be routed directly to interested and willing buyers. This is described in Goldhaber an addressing mechanism that can be used to route the information to more than one individual, e.g., to all users who are demographically suitable. - i.e. fits a particular profile.

In the Applicant's process, rather than providing a means for a consumer to select specific advertising, the consumer can opt in for reward and opt out for no reward. The Applicant's process is directed to random unsolicited, time based advertising but allowing a participant to view such advertising for reward. There is no routing of ads, no targeting of specific consumers. Also, rewards are not advertiser

based in that the reward can come from a third party provider or host/facilitator.

Goldhaber targets the ads to the consumer's needs, interests, and preferences, it is very likely that she or he would be inclined to view. Furthermore, there is an element of interactivity designed into the ads provided, that requires the consumer to provide a response or otherwise interact with the ad (thus allowing the service provider to assure the advertiser that the consumer did indeed watch and pay attention). Goldhaber provides a link between the ad and the appropriate viewer with reference to a data base of digitally stored electronic demographic profiles of potential viewers. The demographic profiles can be constructed through interest questionnaires that the consumer completes when subscribing to the service, and also through electronic tracking of his/her usage of the service (and other habits).

In the Applicant's process the advertiser will not necessarily know whether the participant viewer actually views the advertisements but someone whether the host or advertiser is likely to know when the participant is not viewing ads by failure to click on the icon invitation. In the Applicant's process there is no direct interaction between the advertiser and the participant.

It is submitted that the revised claims reflect the random, time based nature of the Applicant's view for reward process.

<u>United States Patent 6,928,615 Haitsuka , et al.</u>

Haitsuka recognizes that a user of an online service typically accesses the service using specialized communication software (i.e., client application or client

software) that establishes and manages a connection from the user's computer (or client) to the online service provider's host computers (or servers) and facilitates the user's interactions with the service.

In addition, Haitsuka teaches that in managing a connection, there is provided software to display pages or screens relating to retrieved content according to views or presentations specific to the online service. This software may be integrated with the user application. Interactions between the user's computer and the online service are facilitated by a variety of software protocols (i.e., communication conventions, rules and structures), including application level protocols, for managing the transfer of data across the network and to the client application on the user's computer.

Haitsuka acknowledges that some online service providers have derived revenue by displaying advertisements for third parties (hereinafter, "advertisements") to users. For example, when a user accesses a web page on the Web, an advertisement may be displayed to the user as part of the web page. Advertisements may also be shown to users of some proprietary online services. Typically in such systems, each user accessing a certain screen or site is shown the same advertisement. Sophisticated systems have the capability to change the advertisement after a certain period of time.

Haitsuka further acknowledges that a client application typically causes an advertising window to be displayed on the user's display remaining visible and on top of other windows throughout an entire online session. The client application receives advertisements from the online service provider, and the client application displays the

advertisements in the advertising window.

In the Haitsuka system, there is no disclosure of whether the transmission of advertisements from the online service provider to the client application is initiated by the online service provider or the client application, how the online service determines which advertisements to send to the users, and whether such typical client applications do anything more than open the communications link with the online service and display advertisements.

Haitsuka further recognizes that advertisers find it desirable to target advertisements to relevant potential customers. For example, an advertiser of stockings would prefer to target women rather than men with its advertising. Advertisers normally prefer to pay for advertising based upon the number of relevant consumers who are actually exposed to the advertisement. For typical online systems and networks, including the Web, it is often difficult for an advertiser to precisely determine whether its advertisements were actually viewed by a user and for how long, and whether the advertisement induced a response.

Haitsuka as with Goldhaber is a targeted advertisement system that also can provide information as to the characteristics of those who were exposed to each advertisement, for how long the user was exposed, and at what times. Prior to Haitsuka and Goldhaber prior art advertising-supported online services did not have the ability to target advertisements.

Haitsuka provides a client application for enabling access to an online service

and displaying advertisements while the user has access to the online service. However, unlike the Applicant's process the Haitsuka system provides the 'client' with play lists from the online service provider. The play lists include information about advertisements to be played and the order of play. The client application also receives match lists from the online service provider. The match lists include information about advertisements to be played when the user performs certain actions. Haitsuka provides the user with the ability to cycle back through previously displayed advertisements, and to cycle forward.

In conjunction with the client application displaying advertisements, the client application also records which advertisements were played. The client application displays a number of icons for functions available to the user, and the client application records when the user selects these and other functions.

Claim Rejections -35 USC § 103

Claims 2-16, 17-30 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhàber in view of US Patent Number 6,928,615 to Haitsuka et al.

The Examiner notes that Goldhaber does not explicitly teach an invitation cancelling itself and reappearing randomly at a later time (Claim2). Haitsuka is said to disclose a predetermined idleness criteria such that in the event the consumer station fails to respond to the random invitation within a predetermined period, the invitation will cancel itself and reappear at a later time at the consumer station allowing the

consumer repeated opportunity to elect whether to receive advertising material while on line.(fig. 2, 110, col. 12 lines 7-10).

For the reasons distinguishing Claim1 (as amended) from the cited US patents Haitsuka and Goldhaber, it is submitted that Claim2 taken in combination with amended Claim1 is non obvious to one of ordinary skill in the art at the time of the invention to combine the teachings of Goldhaber and Haitsuka to arrive at a predetermined idleness criteria such that in the event the consumer station fails to respond to the random invitation within a predetermined period the invitation will cancel itself and reappear at a later time at the consumer station allowing.

Goldhaber and Haitsuka both relate to targeted consumers or clients and both aim to more accurately target those consumers who are likely to purchase particular advertised products. The Applicant's invention on the other hand does not specifically target the advertisement to a particular viewer, has random advertisement displays and in combination a random invitation to view the advertising. A time based reward is obtained by the viewer in return for viewing the random advertising.

Haitsuka teaches that its process permits browsing by the user and displaying of advertisements by the client application without interfering with the user's use of the browser application (col.12 lines 19-20). In the Applicant's invention, the user is not required to download viewing software and may view advertising while browsing without interruption to browsing (apart from elected viewing of advertising presented to the viewing site). Taken with the other features of Claim1 as amended it is

submitted that Claim1 is both novel and non obvious.

Offsetting on line costs against advertisement viewing time in combination with the remaining features of Claim1 is not taught in Goldhaber and Haitsuka (col. lines 50-57).

Regarding Claim4, Goldhaber is said to disclose an advertising station remote from a consumer station (fig. 1, 110, col. 9 lines 62-66) but this objection is raised by taking a feature in isolation rather than considering that feature in combination with the broadest claims.

Similarly, in the objections taken to current Claims5 – 16 the Examiner has taken the specific limitation of each claim, referring to passages in the citations. It is submitted that when each of the features identified in the objected to claims are taken in conjunction with the revised independent claims with the new limitations they disclose an inventive combination.

Regarding Claims 18 -26 since they have been amended with the same limitations as revised Claim1, earlier submissions are relevant to these claims. The earlier analysis that indicates the differences between the combinations of these claims as amended is relevant in responding to objections to these claims.

As Claim18 was substantially similar to Claim2, amendments to Claim1 including the new limitations and the earlier analysis is applicable to Claim18. Claim 19 was substantially similar to Claim13 and 16 so similar submissions in response to the corresponding amended claims applies. A similar approach is appropriate to

Claim20 which was substantially similar to Claim4; Claim 21 which was substantially similar to Claim2; Claim22 which was substantially similar to Claim5; Claim23 which was substantially similar to Claim15; Claim 24 which is a method claim was rejected as a similar claim to pre amended system Claim2 but as the system has been altered to process and since, Claim2 is read in conjunction with amended Claim1 a similar analysis which was argued for Claim1 is appropriate here. Referring to the objections to claims 25 and 26 based respectively on Haitsuka disclosing displaying advertising targeted to a consumer profile until such time as the consumer cancels the advertising and to Claim26 based on Goldhaber disclosing sending particulars of the consumer computer such as the computer's Email address to the advertising provider to establish a consumer profile link between the consumer computer and the advertising provider computer, earlier submission made in conjunction with the amendment to the independent claims are relevant when considering claims 25 and 26 as specific combinations of integers. Similar comments apply in response to claims 27-30 similar analysis.

As a final submission, neither Haitsuka or Goldhaber taken alone or in combination teach the combinations of the broadest independent claims of the Applicant's proposed amended claims. It is submitted that features of the claims appended to those amended independent claims should be read in conjunction with the amended independent claims and when that analysis is done, it is submitted that the resultant combinations of integers are both novel and involve invention.

In view of the forgoing the Applicant believes that the claims as amended are in condition for allowance an outcome which is earnestly solicited.

Respectfully submitted,

SMITH, ET AL.

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